

**Newport Beach Civic Center & Park Project  
Phase III Contract Amendment  
Project Cost Questions & Answers**

**Q: What is the projected Total Construction Cost?**

A: The City will carry a number for Total Construction Cost of about \$105 million. This includes the Construction Contingency, which is split 75-25 (City-C.W. Driver) if unused at the end. This includes the Library Expansion, the Parking Structure, the park, and the City Hall. It does not include the bridge nor photovoltaics (PVs), though the building will be “plumbed” for PVs if the City decides to add them later.

**Q: What is the projected “All-In” Cost?**

A: The City will carry a number of about \$131.4 million. This includes the Construction Contingency.

**Q: If we go forward with that Project Cost, will \$131.4 million be the final number in Fall 2012 or is it possible that some of that can be reduced, returned, not used?**

A: The City believes it could reasonably go down to \$125 million “all in.” On the more aggressive side, it could be \$123 million. When The City staff first brought this to the City Council with a detailed cost estimate in November 2009, the high end of the spreadsheet said \$139.2 million, all in. Remember, the final “all in” number will not be known until the project is finished, because the project budget carries contingencies that may or may not be used.

**Q: What are the ways it could be reduced from \$131.4 million to \$125 million or \$123 million?**

A: Here are some of the ways:

- There is “value engineering” outstanding of about \$2.9 million that is being reviewed by the Council’s Building Committee. Value engineering is where some of the bidders suggested alternative (and less expensive) materials that we think are worth looking at.
- Contingencies that can be returned unused.
- An insurance refund for a safe job site.
- A portion of the contracts are running contracts based on actual hours/invoices – like Construction Support and building inspection. Efficient work here could save a significant sum.

**Q: What did we envision in the bond issuance?**

A: About \$123-124 million for the project, all in. The City issued \$128 million in Certificates of Participation (COPs), which included refunding about \$4 million in Library bonds and the COPS’ cost-of-issuance.

**Q: What number were we carrying in the Facilities Financing Plan?**

A: About \$127 million, all in.